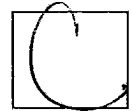


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02034A  
Cienega Water Company, Inc.  
PO Box 3518  
Parker, AZ 85344

RECEIVED

MAY 22 2007

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2006
----	----	------

FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

5-16-07

SCANNED

### COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Cienega Water Co, Inc.</u>			
<b>Mailing Address</b> <u>P O Box 3518</u>			
<u>Parker</u> (City)	<u>Az</u> (State)	<u>85344</u> (Zip)	
<u>928-667-2590</u> Telephone No. (Include Area Code)	<u>928-667-2590</u> Fax No. (Include Area Code)	<u>n/a</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>elliejack@npgcable.com</u>			
<b>Local Office Mailing Address</b> <u>Same</u>			
<u></u> (City)	<u></u> (State)	<u></u> (Zip)	
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u></u>			

### MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Eleanor Stephan</u>			
<u>31876 Cienega Springs Rd</u> (Street)		<u>Parker</u> (City)	<u>Az</u> (State)
<u>85344</u> (Zip)		<u>85344</u> (Zip)	
<u>928-667-2590</u> Telephone No. (Include Area Code)	<u>928-667-2590</u> Fax No. (Include Area Code)	<u>n/a</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>elliejack@npgcable.com</u>			
<b>On Site Manager:</b> <u>Same</u>			
<u></u> (Street)	<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u></u>			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Jack Haas  
 (Name)  
7804 Riverside Dr. Parker  
 (Street) (City) (State) (Zip)  
928-667-2590  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)  
 Attorney: NONE on retainer  
 (Name)  
 (Street) (City) (State) (Zip)  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE            | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA              | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO            | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ        | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE         |                                   |                                   |

COMPANY NAME Cienega Water Co., Inc.

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	10565	10565	0
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes & STORAGE tanks	42793	11429	31364
331	Transmission and Distribution Mains	61812	12364	49448
333	Services	20637	4128	16509
334	Meters and Meter Installations	17880	13364	4516
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	3545	708	2837
340	Office Furniture and Equipment	1177	1177	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	2408	2408	0
344	Laboratory Equipment			
345	Power Operated Equipment	12155	4052	8103
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>172,972</b>	<b>60,195</b>	<b>112,777</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Cienega Water Co., Inc.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>			

PLEASE refer to  
attached page # 5-2

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

Depreciation spread for Cienega Water Co.

description	yr purc'd	orig cost	prev. deprec.	deprec 2000	deprec 2001	deprec 2002	deprec 2003	deprec 2004	deprec 2005	deprec 2006	total deprec	balance left
wells & springs	pre 1999	10,565.00	10,565.00								10,565.00	0.00
distribution res. & standpipe	pre 1999	3,589.00	3,455.00	134.00							3,589.00	0.00
meters	pre 1999	17,880.00	1,913.00	1,950.92	0.00	1,900.00	1,900.00	1,900.00	1,900.00	1,900.00	13,363.92	4,516.08
office equipment	pre 1999	1,079.00	1,079.00								1,079.00	0.00
equipment & tools	2000	1,291.63	0.00	1,291.63							1,291.63	0.00
equipment & tools	2001	1,116.66	0.00	0.00	1,116.66						1,116.66	0.00
power operated equipment	2002	12,155.30	0.00	0.00	0.00	810.35	810.35	810.35	810.35	810.35	4,051.75	8,103.55
		powered equipment do at 15 s/l										
office equipment	2003	98.13	0.00	0.00	0.00	0.00	98.13				98.13	0.00
storage tanks	2003	39,204.00	0.00	0.00	0.00	0.00	1,960.00	1,960.00	1,960.00	1,960.00	7,840.00	31,364.00
trans & distribution mains	2003	61,811.70	0.00	0.00	0.00	0.00	3,091.00	3,091.00	3,091.00	3,091.00	12,384.00	49,447.70
services	2003	20,637.00	0.00	0.00	0.00	0.00	1,032.00	1,032.00	1,032.00	1,032.00	4,128.00	16,509.00
other plant & misc equip	2003	3,545.00	0.00	0.00	0.00	0.00	177.00	177.00	177.00	177.00	708.00	2,837.00
											0.00	0.00
totals		172,972.42	17,012.00	3,376.55	1,116.66	2,710.35	9,068.48	8,970.35	8,970.35	8,970.35	60,195.09	112,777.33
total of depreciation		17,012.00		20,388.55	21,505.21	24,215.56	33,284.04	42,254.39	51,224.74	60,195.09		

29 5.2

COMPANY NAME Cienega Water Co., Inc.

**BALANCE SHEET**

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$	\$
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$	\$
	<b>TOTAL ASSETS</b>	\$	\$

PLEASE refer to  
attached page # 6 & 7 - 2

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Cienega Water Co., Inc.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$	\$

PLEASE refer to  
attached page # 647-2



11:39 AM  
05/01/07  
Accrual Basis

Cienega Water Co., Inc.  
**Balance Sheet**  
As of December 31, 2006

	Dec 31, 06	Dec 31, 05
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
105 · Cash in Bank - Bank One	10,760.54	11,430.86
Total Checking/Savings	10,760.54	11,430.86
Total Current Assets	10,760.54	11,430.86
Fixed Assets		
185 · Utility Plant in Serv	14,154.00	14,154.00
190 · Orig. Meters 1995	17,879.78	17,879.78
191 · New-Repl'd Construction '02-'03		
191-A · Storage Tanks	39,204.00	39,204.00
191-B · Trans & Distrib. Mains	61,812.00	61,812.00
191-C · Update Service Loc.	20,637.00	20,637.00
191-D · Power Operated Equipment	12,155.00	12,155.00
191-E · Other Misc Plant	3,545.00	3,545.00
Total 191 · New-Repl'd Construction '02...	137,353.00	137,353.00
192 · Small Equipment & Tools	2,408.29	2,408.29
193 · Office Equipment	1,176.67	1,176.67
195 · XX- Accum. Depreciation	-60,195.69	-51,225.54
Total Fixed Assets	112,776.05	121,746.20
Other Assets		
197 · Computers	2,239.74	2,239.74
Total Other Assets	2,239.74	2,239.74
<b>TOTAL ASSETS</b>	<b>125,776.33</b>	<b>135,416.80</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
205 · Accts Payables	6,200.00	6,000.00
Total Accounts Payable	6,200.00	6,000.00
Total Current Liabilities	6,200.00	6,000.00
Long Term Liabilities		
240 · LongTerm Notes/Bonds	43,648.00	43,648.00
245 · LongTerm CSDC-Loans	12,000.00	12,000.00
250 · Work Loan from Merco	134,034.07	136,472.57
Total Long Term Liabilities	189,682.07	192,120.57
Total Liabilities	195,882.07	198,120.57
Equity		
325 · Capital Stock	5,700.00	5,700.00
350 · Retained Earnings	-68,531.29	-63,385.18
Net Income	-7,274.45	-5,018.59
Total Equity	-70,105.74	-62,703.77
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>125,776.33</b>	<b>135,416.80</b>

Pg 6 of 7-2

COMPANY NAME

Cieneqa Water Co., Inc.

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$	\$
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$	\$
	<b>OPERATING INCOME/(LOSS)</b>	\$	\$
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$	\$

PLEASE refer to  
attached page # 8-a

11:40 AM  
05/01/07  
Accrual Basis

Cienega Water Co., Inc.  
Profit & Loss  
January through December 2006

	2006 Jan - Dec ...	2005 Jan - Dec ...
Income		
410 · Metered Water Sales	30,027.23	30,805.15
490 · Miscellaneous Income	344.53	0.00
Total Income	30,371.76	30,805.15
Expense		
610 · Automobile Expenses	0.00	31.04
611 · Bank Charges	277.00	25.15
612 · Depreciation	8,970.15	8,970.15
615 · Dues & Subscriptions	195.00	105.00
618 · Equipment R & M	1,200.00	2,400.00
625 · Interest Pd	6,278.36	10,360.66
631 · Management Services	7,200.00	7,200.00
635 · Office Exp & Postage	270.90	119.60
640 · Prof. Fees (Legal/Acct)	697.47	1,272.00
645 · Supplies	3,132.52	116.01
647 · Water Testing	764.19	876.69
650 · Sales Taxes	1,770.70	1,763.42
675 · Repairs & Maintainan...	3,200.00	0.00
685 · Utilities	1,571.04	1,277.38
695 · Miscellaneous	897.90	-20.00
698 · Property Taxes	1,220.98	1,326.64
Total Expense	37,646.21	35,823.74
Net Income	-7,274.45	-5,018.59

P  
93-2

COMPANY NAME Cienega Water Co., Inc.

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	07-01-02			
Source of Loan	Private			
ACC Decision No.	63751 & Add'L			
Reason for Loan	Reconstruction & replacement			
Dollar Amount Issued	\$ 146,533 <sup>01</sup>	\$	\$	\$
Amount Outstanding	\$ 133,278 <sup>01</sup>	\$	\$	\$
Date of Maturity	06-30-24			
Interest Rate	7% <sup>01</sup>	%	%	%
Current Year Interest	\$ 6278 <sup>36</sup>	\$	\$	\$
Current Year Principle	\$ 2442 <sup>12</sup>	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 0

Meter Deposits Refunded During the Test Year

\$ 0

COMPANY NAME	Cienega Water Co., Inc.
Name of System	ADEQ Public Water System Number (if applicable)

### WATER COMPANY PLANT DESCRIPTION

#### WELLS

*@ not in use at this time*

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
620744	1	6-7	98	8	1 1/2 @	1945
617676	1	6-7	96	6	2	1959
617677	1	6-7	95	10	1 1/2	1960

\* Arizona Department of Water Resources Identification Number

#### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
n/a		NONE	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
5,000	4	n/a	

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

<b>COMPANY NAME</b>	Cienega Water Co., Inc.
<b>Name of System</b>	ADEQ Public Water System Number (if applicable)

### WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	transite	1370
3	↙	3190
4	↘	1120
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	68
3/4	
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

n/a

STRUCTURES:

Storage Tanks

OTHER:

meters - wells & springs - office Furniture & Fixtures

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME: <u>Cienega Water Co., Inc</u>	
Name of System	ADEQ Public Water System Number (if applicable)

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →				

PLEASE refer to  
attached page # 12-2

What is the level of arsenic for each well on your system? 0.05 mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 12 GPM for 1 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
( ) Yes      ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
( ) Yes      ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

## Cienega Water Co., Inc. Well Readings &amp; water usage status

Total water pumped each month										
WELL #2	2006 running total			WELL #3		water sold vs. pumped				
Dec-05	8451580	21,180	9039300	Dec-05	9039300	estimated		estimate	notes on water breaks	
						pumped	sold	adjust or		
								water breaks		
								flushing		
								donation water		
								overshort		
JAN	8472760	21,180	9242300	JAN	203,000	224,180	158,400	5,000	underground water break	
FEB	8496290	23,530	9466000	FEB	223,700	247,230	177,800	5,000	underground water break	
MAR	8525840	29,550	9673400	MAR	207,400	236,950	201,800	5,000	underground water break	
APR	8545320	19,480	9896100	APR	222,700	242,180	199,900	5,000	underground water break	
MAY	8577190	31,870	10153300	MAY	257,200	289,070	275,700	5,000	underground water break	
JUNE	8612060	34,870	10411700	JUNE	258,400	293,270	272,400	5,000	break ????	
JULY	8636950	24,890	10655160	JULY	243,460	268,350	252,800	5,000	break ????	
AUG	8660510	23,560	10901400	AUG	246,240	269,800	245,400	5,000	break ????	
SEPT	8683940	23,430	11055200	SEPT	153,800	177,230	193,800	5,000	break ????	
OCT	8712230	28,290	11283000	OCT	227,800	256,090	183,000	5,000	underground water break	
NOV	8721200	8,970	11691300	NOV	408,300	417,270	197,100	5,000	3 separate breaks 1 underground and the others above	
DEC	8742140	20,940	11908900	DEC	215,800	236,540	193,900	5,000	water break out by storage tanks	
tot water	290,560		tot water	2,867,600	3,158,160	2,552,000	60,000	water breaks		
								flushing		
								donation water		
								overshort		
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**this figure is a monthly estimate**

60000 flushing  
actual gallons

# WATER STATION

Dec	142800	1860
JAN	144660	1860
FEB	146520	1860
MAR	147940	1420
APR	148430	490
MAY	148730	300
JUNE	149110	380
JULY	149630	520
AUG	150170	540
SEPT	150600	430
OCT	151340	740
NOV	152450	1110
DEC	153850	1400

89-12-2



COMPANY NAME Cienega Water Co., Inc YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 1,220.93

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

PLEASE refer to  
attached page # 13-a

# CIENEGA WATER COMPANY, INC.

P.O. BOX 3518 PH. 928-667-2590  
PARKER, AZ 85344

1337

91-2195  
1221

PAY TO THE ORDER OF La Paz County Treasurer

DATE 10-1-06

\$ 1,220.98

one Thousand Two Hundred Twenty - 98 Cents

DOLLARS

**BANK ONE**

JPMorgan Chase Bank, N.A.  
Phoenix, Arizona 85073

FOR ICX I.D. 937-42-703 6

*Eleanor Stephan*

⑈001337⑈ ⑈122100024⑈

2532535L⑈

## 2006 PROPERTY TAX NOTICE

La Paz County

ARIZONA

PARCEL #		AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2006 TAX SUMMARY			
937-42-703 6		2703	4.0802	3.8301		PRIMARY PROPERTY TAX	629.78		
ASSESSMENT		VALUE IN DOLLARS	ASSTMT %	ASSESSED VALUE	EXEMPTIONS	TAX RATE	NET ASSESSED	LESS STATE AID TO EDUCATION	0.00
PRIMARY LAND, BLDGS, ETC.		0	24.5	0	0	4.0802	0.00	NET PRIMARY PROPERTY TAX	629.78
PRIMARY PERSONAL PROPERTY		0	0.0	0	0	0.0000	0.00	SECONDARY PROPERTY TAX	591.20
PRIMARY TOTALS		0		0	0		0.00	SPECIAL DISTRICT TAX	0.00
SECONDARY LAND		0	24.5	0	0	3.8301	0.00	TOTAL TAXES	1,220.98
SECONDARY BLDGS, ETC.		63,000	24.5	15,435	0	3.8301	591.20		
SEC. PERSONAL PROPERTY		0	0.0	0	0	0.0000	0.00		
SECONDARY TOTALS		63,000		15,435	0		591.20		
ACREAGE:		.00	JURISDICTION			2006 TAXES	2005 TAXES		
0019150			02000	LA PAZ COUNTY		340.62	315.01		
SITUS ADDRESS:			08150	COMMUNITY COLLEGE		366.24	330.04		
NULL			11202	BUCKSKIN FD		330.28	321.23		
LEGAL DESCRIPTION:			11900	FIRE DISTRICT ASSIST		15.44	14.00		
TOTAL VALUE OF OPERATING PROPERTY			57027	SD #27 BUDGET OVERRI		168.40	192.95		
			02001	STATE SCHOOL TAX EQU		0.00	61.01		
			10698	LA PAZ HOSPITAL DIST		0.00	92.40		

This is the only notice you will receive.

Ellen Solper  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

THIS IS A  
CALENDAR YEAR  
TAX NOTICE

TOTALS 1,220.98 1,326.64

937-42-703 6

0001094 01 AV 0.293 \*\*AUTO T4 0 0800 85344-351818

|||||

CIENEGA WATER COMPANY  
ELEANOR STEPHAN/SEC-TREAS  
P O BOX 3518  
PARKER AZ 85344-3518

### PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than May 1, 2006. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2006. Delinquent interest will be waived.

Ellen Solper  
La Paz County Treasurer  
1112 Joshua Ave, Ste 203  
Parker AZ 85344-5756

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK  
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR  
PARCEL NUMBER  
ON YOUR CHECK.

Pg 13-2

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

MAY 22 2007

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OR (COUNTY NAME)
<u>LA PAZ</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>TRICIA WALKER - Corporate Accountant</u>
COMPANY NAME
<u>Cienega Water Co., Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



tricia walker

SIGNATURE OF OWNER OR OFFICIAL

928-667-2590

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15<sup>th</sup>

DAY OF

COUNTY NAME
<u>La Paz County</u>
MONTH <u>May 15<sup>th</sup></u> <u>2007</u>

(SEAL)

Linda Viette-Oliver

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES May 28<sup>th</sup> 2007

COMPANY NAME Cienega Water Co., Inc. YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances: \_\_\_\_\_

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

PLEASE refer to  
attached page # 5-235

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Tricia Walker  
SIGNATURE

5-15-07  
DATE

TRICIA WALKER  
PRINTED NAME

Corporate Accountant  
TITLE

# U.S. Corporation Income Tax Return

For calendar year 2006 or tax year beginning \_\_\_\_\_, 2006, ending \_\_\_\_\_, \_\_\_\_\_

OMB No. 1545-0123

**2006**

► See separate instructions.

<b>A Check if:</b> 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding company (attach Schedule PH) <input type="checkbox"/> 3 Personal service corp (see instructions) <input type="checkbox"/> 4 Schedule M-3 required (attach Sch M-3) <input type="checkbox"/>	<b>Use IRS label. Otherwise, print or type.</b>	<b>Name</b> Cienega Water Co., Inc. <b>Number, street, and room or suite number. If a P.O. box, see instructions.</b> P O Box 3518 <b>City or town</b> <b>state</b> <b>ZIP code</b> Parker AZ 85344	<b>B Employer identification number</b> 86-0203803 <b>C Date incorporated</b> 07/01/1965 <b>D Total assets (see instructions)</b> \$ 125,776.
--	---	--	--

**E Check if:** (1) Initial return (2) Final return (3) Name change (4) Address change

<b>I N C O M E</b>	1 a Gross receipts or sales	30,372.	b Less returns & allowances		c Balance	1 c	30,372.
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	30,372.
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10 Other income (see instructions — attach schedule)					10	
	11 <b>Total income.</b> Add lines 3 through 10					11	30,372.
<b>D E D U C T I O N S  S E E I N S T R U C T I O N S</b>	12 Compensation of officers (Schedule E, line 4)					12	
	13 Salaries and wages (less employment credits)					13	
	14 Repairs and maintenance					14	3,200.
	15 Bad debts					15	
	16 Rents					16	
	17 Taxes and licenses					17	2,513.
	18 Interest					18	6,278.
	19 Charitable contributions					19	
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)					20	8,970.
	21 Depletion					21	
	22 Advertising					22	
	23 Pension, profit-sharing, etc, plans					23	
	24 Employee benefit programs					24	
	25 Domestic production activities deduction (attach Form 8903)					25	
	26 Other deductions (attach schedule). See Other Deductions Statement.					26	16,686.
	27 <b>Total deductions.</b> Add lines 12 through 26					27	37,647.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	-7,275.
	<b>T A X  A N D  P A Y M E N T S</b>	29 <b>Less:</b> a Net operating loss deduction (see instructions)		29 a			29 a
b Special deductions (Schedule C, line 20)			29 b			29 b	
30 <b>Taxable income.</b> Subtract line 29c from line 28 (see instructions)						30	-7,275.
31 <b>Total tax</b> (Schedule J, line 10)						31	
32 a 2005 overpayment credited to 2006		32 a					
b 2006 estimated tax payments		32 b					
c 2006 refund applied for on Form 4466		32 c					
d Bal		32 d					
e Tax deposited with Form 7004		32 e					
f Credits: (1) Form 2439 (2) Form 4136		32 f					
g Credit for federal telephone excise tax paid (attach Form 8913)	32 g				32 h		
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					33		
34 <b>Amount owed.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34		
35 <b>Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35		
36 Enter amount from line 35 you want: Credited to 2007 estimated tax					36		

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No

**Paid Preparer's Use Only**

Preparer's signature: tricia walker Date: 05/15/07 Check if self-employed ☒ Preparer's SSN or PTIN: 551-68-6798

Firm's Name (or yours if self-employed), address, and ZIP code: tricia walker consulting  
10103 Marina Loop  
Parker AZ 85344 EIN: 86-0714123  
 Phone no.: (928) 667-3517

*pg 15-2*

120

For the calendar year 2006 or fiscal year beginning \_\_\_\_\_ and ending \_\_\_\_\_

Business telephone number (928) 667-2590		Please Type or Print	Name Cienega Water Co., Inc.	CHECK ONE: Calendar year <input checked="" type="checkbox"/> Fiscal year <input type="checkbox"/>	
Business activity code number (from federal Form 1120) 221300			Number and street or PO Box P O Box 3518	Employer identification number (EIN) 86-0203803	AZ transaction privilege tax number
			City, or town, state, and ZIP code Parker AZ 85344		

(68) Check box if: ☐ This is a first return ☐ Name change ☐ Address changeA Is FEDERAL return filed on a consolidated basis? ☐ Yes ☒ No

If yes, list EIN of common parent from consolidated return \_\_\_\_\_

B ARIZONA filing method: (Check only one) See instructions

1 ☒ Separate company 2 ☐ Combined (unitary group) 3 ☐ Consolidated

C If ARIZONA filing method is combined or consolidated, see Form 51 instructions

Are there any additions or deletions on Form 51? ☐ Yes ☐ NoD Is this the corporation's final ARIZONA return? ☐ Yes ☒ NoIf yes, check one: Dissolved ☐ Withdrawn ☐ Merged/Reorganized ☐

List EIN of the successor corporation, if any \_\_\_\_\_

(82) CHECK BOX IF:  
Federal extension used to file return. 82 F ☐

FOR DOR USE ONLY

(81)	(66)
1	-7,275.
2	10,262.
3	2,987.
4	8,970.
5	-5,983.
6	
7	
8	
9	
10	
11	
12	
13	-5,983.
14	
15	-5,983.
16	50.
17	
18	50.

1	Taxable income — per attached federal return	
2	Additions to taxable income — from page 2, Schedule A, line A13	
3	Total taxable income — add lines 1 and 2	
4	Subtractions from taxable income — from page 2, Schedule B, line B13	
5	Adjusted income — subtract line 4 from line 3. WHOLLY ARIZONA CORPORATIONS GO TO LINE 13	
6	Arizona adjusted income — from line 5. MULTISTATE CORPORATIONS ONLY	
7	Nonapportionable or allocable amounts — from page 3, Schedule D, line D8. Multistate corporations only	
8	Adjusted business income — subtract line 7 from line 6. Multistate corporations only	
9	Arizona apportionment ratio — from Schedule C or Schedule ACA	9
10	Adjusted business income apportioned to Arizona — line 8 multiplied by line 9. Multistate corps only	10
11	Other income allocated to Arizona — from page 3, Schedule E, line E7. Multistate corporations only	11
12	Adjusted income attributable to Arizona — add lines 10 and 11. Multistate corporations only	12
13	Arizona income before NOL — from line 5 or line 12	13
14	Arizona basis net operating loss carryover — attach computation schedule	14
15	Arizona taxable income — subtract line 14 from line 13	15
16	Enter tax. Tax is 6.968 percent of line 15 or fifty dollars (\$50), whichever is greater	16
17	Tax from recapture of tax credits — from Form 300, Part II, line 24	17
18	Subtotal — add lines 16 and 17	18
19	Clean Elections Fund Tax Reduction. Check this box to send \$5 to the fund and reduce the tax (line 18) by \$5. Enter the amount of the tax reduction	19A <input type="checkbox"/>
20	Nonrefundable tax credits — from Arizona Form 300, Part II, line 45	20
21	Credit type — enter form number for each nonrefundable credit claimed	21 3 3 3 3
22	Tax liability — subtract the sum of lines 19 and 20 from line 18	22 50.
23	Clean Elections Fund Tax Credit. SEE INSTRUCTIONS BEFORE COMPLETING THIS LINE	23
24	Tax liability after Clean Elections Fund tax credit — subtract line 23 from line 22	24 50.
25	Refundable remainder of the retroactive consolidated election tax credit	25
26	Extension payment made with Form 120EXT — see instructions	26
27	Estimated tax payments — see instructions	27
28	Total payments — see instructions	28
29	Balance of tax due — If line 24 is larger than line 28, enter balance of tax due. Skip line 30	29 50.
30	Overpayment of tax — If line 28 is larger than line 24, enter overpayment of tax	30
31	Penalty and interest	31
32	Estimated tax underpayment penalty. If Form 220 is attached, check box	32A <input type="checkbox"/>
33	Donation to Citizens Clean Elections Fund — see instructions	33
34	TOTAL DUE — payment must accompany return	34 50.
35	OVERPAYMENT — see instructions	35
36	Amount of line 35 to be applied to 2007 estimated tax	36
37	Amount to be refunded — subtract line 36 from line 35	37

Pg 15-b

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED

MAY 22 2007

AZ CORP COMM  
Director Utilities

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>LA PAZ</u>	
NAME (OWNER OR OFFICIAL) <u>TRICIA WALKER</u>	TITLE <u>Corporate Accountant</u>
COMPANY NAME <u>Cienega Water Co., Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>30,371.76</u>
--

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 1770.70  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.



Tricia Walker  
SIGNATURE OF OWNER OR OFFICIAL  
928-667-2590  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15<sup>th</sup>

DAY OF

NOTARY PUBLIC NAME <u>Linda Viette-Oliver</u>
COUNTY NAME <u>La Paz County</u>
MONTH <u>May 15<sup>th</sup></u> 20 <u>07</u>

(SEAL)

MY COMMISSION EXPIRES  
May 28<sup>th</sup> 2007

X Linda Viette-Oliver  
SIGNATURE OF NOTARY PUBLIC